



Department of Revenue

Sales and Use Tax Division

Trinity-Washington Building

P. O. Box 740390

Atlanta, Georgia 30374-0390

Telephone: (404) 656-4060

May 18, 1994

Marcus F. Collins, Sr.
Commissioner

Gary H. Robinson
Director

RECEIVED
1994 MAY 23 PM 3:09

Mary Lou Benzel
Contracting Officer
Services Acquisition Center
GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE
Washington, DC 20406

Dear Ms. Benzel:

This will acknowledge receipt of your letter concerning taxability of purchases with the I.M.P.A.C. VISA card.

The Department will continue to recognize the use of this card as an exempt purchase by the Federal Government.

We trust this will be helpful.

Sincerely,

Darrell Ball

Darrell Ball
Tax Consultant

DB/bt

JOHN WAIHEE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

P.O. BOX 259
HONOLULU, HAWAII 96809

RICHARD F. KAHLE, JR.
DIRECTOR OF TAXATION

RECEIVED
GEORGINA M. YUEN
DEPUTY DIRECTOR

1994 APR 11 10:18

April 5, 1994

Ms. Mary Lou Benzel
Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Ms. Benzel:

This is in reply to your letter of March 18, 1994, requesting a review of the general excise tax exemption relating to the use of the International Merchant Purchase Authorization Card (IMPAC) VISA card. We understand the IMPAC VISA credit card is used by Federal government agencies to purchase goods and services for official use by that agency.

We confirm the Hawaii general excise tax exemption of the sale of tangible personal property to a Federal government agency through the use of the IMPAC VISA card, subject to the following:

1. The sale of services, including services in which tangible personal property is furnished, through the IMPAC VISA credit card is not exempt from the general excise tax. The seller of the services is not exempt from the imposition of the tax.
2. The sale of tangible personal property or services by the IMPAC VISA card, if allowable under the GSA Contract Guide, for the personal use or consumption of a Federal government employee while on official government business is not exempt from the general excise tax.
3. The sale of lodging, meals, car rentals, and related items with the IMPAC VISA card, if allowable under the Guide, to a Federal government employee traveling on official government business is not exempt from the general excise tax.



IDAHO STATE TAX COMMISSION

800 Park Blvd., Plaza IV ■ P.O. Box 36 ■ Boise, Idaho 83722

DM
4/4/94

RECEIVED

March 31, 1994 11 9:01

Mary Lou Benzel
Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, DC 20406

RE: I.M.P.A.C. Visa Cards

Dear Ms. Benzel:

I am writing in response to your recent inquiry about the taxability of purchases made with the new I.M.P.A.C. Visa cards. Idaho sales tax will not apply to purchases made with these cards since such purchases are billed directly to the government of the United States.

Please contact me if you have further questions regarding the Idaho sales and use tax laws.

Respectfully,

JAMES P. HUSTED
TAX POLICY SPECIALIST
(208) 334-7530

JPH:te
0331.1

Illinois Department of Revenue

101 West Jefferson Street
Springfield, Illinois 62794

January 18, 1995

General Services Administration
Federal Supply Service
Washington, DC 20406

Attention: Mary Lou Benzel
Contracting Officer

Dear Ms. Benzel:

This General Information Letter, issued pursuant to 2 Ill. Adm. Code 1200 (see enclosed), is in response to your letter that was dated August 22, 1994. In your letter, you state:

Earlier this year, the General Services Administration requested that you review your policy regarding the tax exempt status of the Federal government's purchasing card program. The letter, dated March 18, 1994, requested you provide us with a response that indicated your position with regard to the tax exempt status of this program. A copy of this letter is attached. To date, we have not received a reply to our request. Your response is important to us as we will provide a copy of your letter to Federal employees who are cardholders in your state or who wish to make purchases from vendors located in your state.

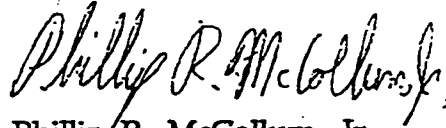
Enclosed is a copy of 86 Ill. Adm. Code 130.2080 concerning Sales to Governmental Bodies, Foreign Diplomats and Consular Personnel. Sales made to a governmental body (Federal, State, local or foreign) are exempt from Retailers' Occupation Tax. In order to make a tax exempt purchase, the governmental body must have an active exemption identification number issued by the Department. However, retailers may accept U.S. Government Bank Cards in sales to the U.S. Government and its agencies without requiring an Illinois exemption number.

Therefore, Illinois retailers are authorized to accept U.S. Government Bank Cards when making sales to the U.S. Government and its agencies.

General Services Administration
Page 2
January 18, 1995

If you have further questions, please feel free to contact the
Department's Taxpayer Information Division at (217) 782-3336.

Sincerely,



Phillip R. McCollum, Jr.
Associate Counsel
Office of General Counsel

PRM:pml
Enc.



Illinois Department of Revenue

101 West Jefferson Street
Springfield, Illinois 62794

RECEIVED

OCT 27 8 24 AM '89

GSA-FEDERAL
SUPPLY SERVICE

September 28, 1989

General Services Administration
Federal Supply Service
Washington, D.C. 20406

Attention: Bernadette Mount

Dear Ms. Mount:

This is to acknowledge receipt of your letter of May 19, 1989. In your letter you state the following:

Over the past two years the United States Department of Commerce has successfully tested a pilot project for the use of a commercial credit card for U.S. Government purchase and payment of official supplies and services. Under the Dept. of Commerce pilot program Rocky Mount BankCard System, Inc., (RMBCS) was awarded a contract to provide tax exempt Mastercards with the unique name I.M.P.A.C., (International Merchant Purchase Authorization Card). I.M.P.A.C. is a protected trademark provided by RMBCS to selected Government agencies participating in the pilot program. Under the pilot program the Dept. of Commerce received tax exemption approval for use of the commercial credit card within your state. The pilot program will expire on September 30, 1989.

It has been determined that the use of a commercial credit card can streamline payment procedures and reduce administrative costs for acquisition of supplies and services under \$25,000; improve Government cash management practices, i.e., forecasting, consolidating payments, reducing imprest funds, etc.; and provide procedural checks and feedback to improve management control and decision making. This program has been approved by the Office of Management and Budget (OMB) and at their request the General Services Administration (GSA) has been directed to expand the commercial credit card program to all departments and wholly-owned Government corporations in the executive branch of the Federal Government.

The General Services Administration, Federal Supply Service recently awarded the enclosed single award schedule contract for Government-wide commercial credit card services. The contract was awarded to Rocky Mountain BankCard System, Inc. (RMBCS) to provide VISA credit cards with the same "I.M.P.A.C." protected trademark. The Government Credit Card is an internationally accepted credit card — Visa — which

47 LEGAL SERVICES BUREAU
WILLARD ICE BUILDING
101 W. JEFFERSON STREET
SPRINGFIELD, IL 62794

RECEIVED

SEP 27 8 23 AM '89

GSA-
SUPPLY SERVICE
SEPTEMBER 15, 1989.

GENERAL SERVICES ADM FEDERAL SUPPLY SERVICE
BERNADETTE MOUNT

WASHINGTON DC 20406

TO WHOM IT MAY CONCERN

STATUTORY EXEMPTIONS FROM ILLINOIS SALES TAXES ARE AVAILABLE
TO GOVERNMENTAL BODIES PURCHASING TANGIBLE PERSONAL PROPERTY AT
RETAIL.

PURSUANT TO A RECENT CHANGE IN THE LAW, THE ILLINOIS DEPART-
MENT OF REVENUE IS NOW ISSUING TAX EXEMPTION IDENTIFICATION NUMB-
ERS TO GOVERNMENTAL BODIES WHICH MUST BE USED EFFECTIVE JULY 1,
1987 WHEN MAKING THE ABOVE PURCHASES. ACCORDINGLY, THE FOLLOWING
TAX EXEMPTION IDENTIFICATION NUMBER HAS BEEN ISSUED:

E9970-3955-01
TO
GENERAL SERVICES ADM FEDERAL SUPPLY SERVICE
OF
WASHINGTON, DC

TO CLAIM THE EXEMPTION, YOU MUST PROVIDE THIS NUMBER TO YOUR SUP-
PLIERS WHEN MAKING SUCH PURCHASES FOR GOVERNMENTAL USE. THIS EX-
EMPTION MAY NOT BE USED BY OFFICERS, EMPLOYEES, OR OTHER PERSONS,
WHEN MAKING PURCHASES FOR THEIR INDIVIDUAL USE.

LEGAL SERVICES BUREAU
DEPARTMENT OF REVENUE

September 28, 1989

think that the card can be used to exempt a hotel operator from Hotel Operator's Occupation Tax when renting rooms to government employees. However, with respect to most other taxes administered by the Illinois Department of Revenue, the card may be used to exempt both the seller and the federal agency from Illinois tax.

Very truly yours,



Randall P. Bower
Staff Attorney
Legal Services Bureau
Springfield Office
Phone: (217) 782-7054

RPB:clo

STATE of INDIANA



INDIANAPOLIS, 46204-2253

DEPARTMENT OF REVENUE

TAX POLICY DIVISION
INDIANA GOVERNMENT CENTER NORTH
ROOM N248

August 26, 1994

Ms. Mary Lou Benzel
Contracting Officer
Services Acquisition Center
General Services Administration
Washington, D.C. 20406

RE: Federal Government's Purchasing Card Program

Dear Ms. Benzel:

This is in response to your letter of August 22, 1994 concerning the above-referenced matter. Please accept my apologies for your not receiving a response to your letter of March 18, 1994.

Pursuant to IC 6-2.5-5-24, which reflects the prohibition found in the United States Constitution, Indiana may not impose a sales tax on sales of personal property to the United States Government. Because all sales charged to the I.M.P.A.C. VISA cards will be sales to and for the benefit of the Federal Government, they are exempt from the imposition of the Indiana sales tax.

If you need anything further in regard to this matter, please, please contact me at your convenience.

Very truly yours,

William L. Tracy
Senior Tax Attorney
(317) 232-7282

WLT/src

"Equal Opportunity Employer"



AM
3/30/94
Bair
3/29

RECEIVED

DEPARTMENT OF REVENUE AND FINANCE
1994 MAR 29 PM 2:50
GERALD D. BAIR, DIRECTOR

March 25, 1994

Mary Lou Benzel, Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Ms. Benzel:

Thank you for your letter of March 18, 1994.

It is my understanding, the current conditions are the same conditions as were under the previous contract. The I.M.D.A.C. VISTA card would be issued in the federal employee's name. However, the bankcard will not allow for personal purchases by the individual. The billing statements from Rocky Mountain BankCard Systems are sent and billed in the name of the United States Government or the federal agency of the employee.

The Department still exempts from tax, sales made directly to the United States Government or to recognized agencies or departments of the United States Government. Sales made to federal employees on an expense account or are later reimbursed for their expenses, are not sales directly to the federal government and are subject to tax.

Please advise if I can be of further assistance.

Sincerely,

Jerry Hilton
Taxpayer Service Specialist
Technical Services Division

JH/nw

STATE OF KANSAS

13/4
4/4/94

Brett H. Robinson, Director
Robert B. Docking State Office Building
915 SW Harrison Street
Topeka, Kansas 66625-0001



(913) 296-3044
FAX (913) 296-7928

RECEIVED

Department of Revenue 1994 APR -4 PM 1:51
Division of Taxation

Contact: (913) 296-5476

March 24, 1994

GENERAL SERVICES ADMINISTRATION
Federal Supply Services
Washington, DC 20406
c/o Mary Lou Benzel, Contracting Officer

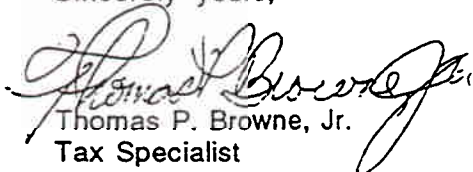
Dear Ms. Benzel:

We wish to acknowledge receipt of your letter dated March 18, 1994, regarding the application of the Kansas Retailers' Sales tax.

Based upon the description of the commercial credit card and how the card will be used, approval is hereby given for use of the card to make sales tax exempt purchases in the state of Kansas. Since the credit card statement is paid directly by the U. S. Government, its agencies or instrumentalities the purchases made with the commercial credit card would qualify for an exemption from Kansas sales tax(es), as said purchases are being made directly by the above named exempt entity.

If we may be of further assistance, please contact us at your earliest convenience.

Sincerely yours,


Thomas P. Browne, Jr.
Tax Specialist

FOR THE DIRECTOR OF TAXATION

TPB

REVENUE CABINET

FRANKFORT

40620

March 28, 1994

RECEIVED

1994 APR -4 PM 1:51

MS. MARY LOU BENZEL
CONTRACTING OFFICER
SERVICES ACQUISITION CENTER
GENERAL SERVICES ADMINISTRATION
WASHINGTON DC 20406

Dear Ms. Benzel:

This refers to your March 17, 1994 correspondence to the Revenue Cabinet concerning approval for the use of a commercial credit card for U.S. Government purchases and payments.

Federal employees who are purchasing supplies and services in Kentucky on behalf of the federal government or purchasing meals and lodging when on government business are exempt from sales tax when payments are made with the U.S. Government Bank Card.

Approval is based upon the following facts:

- 1). This program is under the U.S. Department of Commerce.
- 2). Rocky Mountain Bank Card System, Inc. (RMBCS) will provide Visa credit cards with the name I.M.P.A.C. (International Merchant Purchase Authorization Card) to civilian and military government employees for the purpose of making payments for official government purposes only.
- 3). The cards will be used for acquisition of supplies and services under \$25,000.
- 4). The card number will have the leading digits "4716" which will be an exclusive member for the Federal Government provided by the Visa Credit Association.
- 5). The face of the card will state "U.S. Government Tax Exempt" directly above the name of the cardholder.

If you require additional assistance, you may write the Kentucky Revenue Cabinet, Sales and Use Tax Section, P.O. Box 1274, Frankfort, Kentucky 40602, or call 502-564-4581.

Sincerely,



Dale Bryant

Revenue Examiner III
Sales and Use Tax Section
Division of Compliance and
Taxpayer Assistance
Station 53

DB/sc



Am
5/11/94



EDWIN W. EDWARDS
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF REVENUE AND TAXATION

RECEIVED
MAY 11 PM 2:27

May 5, 1994

RALPH SLAUGHTER, CPA
SECRETARY

Ms. Mary Lou Benzel, Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Ms. Benzel:


This is in reply to your letter of March 18, 1994, in which you requested this department's approval for a sales and use tax exemption on the use within Louisiana of the I.M.P.A.C. Visa card.

Purchases made by the U.S. Government by use of the I.M.P.A.C. Visa card are not subject to the Louisiana state sales or use tax provided that all of the following conditions are met:

1. The purchases made by use of the card are made in the name of the Government of the United States and are considered direct purchases by the United States Government.
2. The department or agency must own the property at the time purchased by the authorized user of the I.M.P.A.C. Visa card. Title to tangible personal property and services purchased with the use of the I.M.P.A.C. Visa card must pass directly from the vendor to the department or agency to whom the I.M.P.A.C. Visa card is issued.
3. The department or agency must be directly liable to the I.M.P.A.C. Visa card issuer for payment of the agreed purchase price.
4. Payment to the I.M.P.A.C. Visa card issuer using public funds must be made directly by the department or agency to whom the card was issued.

If I can be of additional help to you, please let me know.

Sincerely,


Oscar G. Diaz
Assistant Secretary
(504) 925-7704

OGD:ws

AM
4/11/94



BUREAU OF
TAXATION

RECEIVED
1994 APR -4 PM 1:51

STATE OF MAINE

State Office Building, Augusta, Maine 04333

March 30, 1994

Mary Lou Benzel, Contracting Officer
General Services Administration
Federal Supply Service
Services Acquisition Center
Washington, DC 20406

Dear Mary Lou Benzel:

Per your request of March 18, 1994, the State of Maine will continue to regard purchases made through the "I.M.P.A.C." credit card as sales made directly to and paid for by the United States Government. Such sales are not subject to Maine sales and use tax.

If I can be of further assistance, feel free to contact me.

Sincerely,

Peter B. Beaulieu, Director
Sales/Excise Tax Division
(207) 287-2336

/pbb